

## TORONTO STOCK EXCHANGE

LISTING STATEMENT

AUG 19 1954

## PEOPLES CREDIT JEWELLERS LIMITED

A Company incorporated under the laws of Canada by Letters Patent dated April 9, 1930,  
Supplementary Letters Patent having been granted under date December 18, 1953.

## CAPITALIZATION

32,000 preferred shares of the par value of \$100.00 each and 250,000 common shares without nominal or par value, the aggregate consideration for the issue of which said 250,000 common shares without nominal or par value shall not exceed in amount or value Two Hundred and Fifty Thousand Dollars (\$250,000.00).

STOCK:	Par Value	Number of Shares		
		Authorized	Outstanding	To be Listed
Common.....	None	250,000	222,300	222,300
Preferred.....	\$100.00	32,000	8,385	8,385

## FUNDED DEBT:

\$1,500,000.00 5½% First Mortgage Participating Sinking Fund Bonds Series A,  
maturing May 1, 1969.....None to be listed.

July 22, 1954.

## 1. APPLICATION

PEOPLES CREDIT JEWELLERS LIMITED (hereinafter referred to as "the Company") hereby makes application for listing on the Toronto Stock Exchange:

- (a) 222,300 common shares without nominal or par value, and
- (b) 8,385 preferred shares of the par value of \$100.00 each;  
all of which said shares are presently issued and outstanding, and fully paid and non-assessable.

## 2. HISTORY

The business of the Company was first founded in 1919 by the Company's present President, Mr. Frank Gerstein. In October of 1924 the business was incorporated by letters patent under the laws of the Province of Ontario. By letters patent dated April 9, 1930, the present Company was incorporated under the laws of Canada. Immediately following its incorporation, the Company purchased the assets, subject to the liabilities, of the Ontario Company, and has been carrying on the business of the Company since that time.

## 3. INCORPORATION AND CAPITAL CHANGES

- (A) Under the letters patent incorporating the Company, the Company's capital stock consisted of:
  - (a) 1,000 first preference shares, par value \$100.00;
  - (b) 1,500 second preference shares, par value \$100.00;
  - (c) 300 common shares without nominal or par value, to be issued not exceeding in value \$1.00 per share.

(B) By supplementary letters patent dated December 18, 1953, the authorized capital of the Company was varied as follows:

- (a) to provide for the cancellation of the above-mentioned first preference shares and second preference shares;
- (b) increasing the capital stock of the Company by
  - (i) the creation of 32,000 preferred shares of the par value of \$100.00 each;
  - (ii) the creation of 249,700 common shares without nominal or par value.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.



(C) Prior to the granting of the supplementary letters patent dated December 18, 1953, the 300 common shares without nominal or par value were owned as follows:

Peoples Credit Securities Limited.....	297 shares
Frank Gerstein.....	1 share
Bertrand Gerstein.....	1 share
Marvin Gerstein.....	1 share

By reason of the ownership of the above mentioned shares of the Company by Peoples Credit Securities Limited the Company became a subsidiary of Peoples Credit Securities Limited.

(D) On December 19, 1953, Peoples Credit Securities Limited purchased from the Treasury of the Company 219,709 common shares without nominal or par value for the price of \$1.00 per share. Individual shareholders on the same date purchased from the Treasury of the Company 2,291 common shares without nominal or par value for the price or sum of \$1.00 per share.

(E) On December 19, 1953, the Company issued, by way of stock dividend, 21,675 of its preferred shares for the aggregate par value of \$2,167,500.00. Since that date 13,290—\$1,329,000.00—of such preferred shares have been redeemed.

- (F) (a) At a Special General Shareholders' meeting of Peoples Credit Securities Limited held July 21, 1954, a resolution was passed requiring that company to be voluntarily wound up, appointing The Toronto General Trusts Corporation, Toronto, as liquidator, and authorizing and directing the liquidator to distribute the assets of the company whereby each shareholder of Peoples Credit Securities Limited receives for each common share held:
- \$10.00 — in cash
  - \$ 7.50 — of preferred share of Peoples Credit Jewellers Limited having a par value of \$100.00 each
  - 2 — common shares without nominal or par value.

- (b) As a result of the distribution, shareholders of Peoples Credit Securities Limited will, in some cases, be entitled to a fraction of a preferred share of Peoples Credit Jewellers Limited, the Company herein. As the Company may not issue fractions of preferred shares, Mr. Bertrand Gerstein and Mr. Marvin Gerstein have made available to the liquidator preferred shares of the Company owned by them and cash so that shareholders of Peoples Credit Securities Limited entitled to a fractional preferred share, may elect to either sell such fraction at the fractional face value thereof, or purchase an additional fraction, at the fractional face value thereof, to make up one full preferred share. If any shareholder of Peoples Credit Securities Limited fails to elect to so sell or purchase by close of business August 20, 1954, the Company, as authorized by resolution passed at a meeting of its Directors, will redeem as of close of business August 20, 1954, such number of preferred shares at the par value as may be necessary to provide in cash for the satisfaction of fractional rights or claims. The redemption price will also include interest thereon at 6% from June 15, 1954, to August 20, 1954.

(G) The Company was originally incorporated as a private company, but by the supplementary letters patent dated December 18, 1953, it was constituted a public company.

#### NATURE OF BUSINESS

The Company sells at retail and on credit across Canada a complete line of jewellery items including diamonds, watches, clocks, gold rings, jewellery, silverware, chinaware, lamps, radios, luggage, leather goods, electrical appliances, optical goods, and related merchandise.

As at June 30, 1954, the Company employed 511 employees, and further employed, on a commission basis only, 89 employees.

#### 5. OPINION OF COUNSEL

David J. Ongley, the solicitor for the Company, has furnished an opinion that the Company is properly and legally incorporated under the laws of Canada, and that the securities of the Company are properly issued and outstanding and are fully paid and non-assessable.

#### 6. SHARE ISSUES

During the immediately preceding ten years the Company has issued the following shares:

<i>Date</i>	<i>Class of Shares</i>	<i>Number of Shares</i>	<i>Amount Paid per Share</i>	<i>Total Amount</i>
December 19, 1953	Common, without nominal or par value.....	222,000	\$1.00	\$222,000.00
December 19, 1953	Preferred.....	21,675	\$100.00	\$2,167,500.00
(Issued as a stock dividend)				

NOTE.—(a) Of the above preferred shares: (i) 2,175 redeemed December 21, 1953, at \$100.00 per share: \$217,500.00;  
(ii) 11,115 redeemed June 11, 1954, at \$100.00 per share: \$1,111,500.00.  
(b) Balance of preferred shares issued and outstanding: 8,385 shares at \$100.00 per share: \$838,500.00.

#### 7. STOCK PROVISIONS

The preferred shares have attached thereto the rights, restrictions, conditions and limitations as hereinafter set forth, namely:

- (a) As and when declared, fixed preferential cumulative cash dividends at \$6.00 per share per annum, payable in half-yearly instalments on June 30 and December 31 in each year. Accumulated dividends bear no interest.



- (b) Holders of preferred shares are entitled to receive notice of and to attend shareholders' meetings, and are entitled to one vote for each preferred share held.
- (c) In the event of liquidation, dissolution or winding up of the Company or other distribution of its assets, holders of preferred shares are entitled to receive the amount paid up together with all unpaid cumulative dividends in priority to the holders of common shares or any other shares ranking junior to the preferred shares.
- (d) (i) The Company may, other than out of sinking fund, redeem within one year after date of issue all or any part of outstanding preferred shares at \$100.00 per share; after the one-year period all or from time to time any part of outstanding shares at \$103.00; payable together with, in each case, all unpaid cumulative dividends.
- (ii) On or before March 1 in each year commencing 1955 the Company shall provide a sinking fund of an amount equal to 3% of the par value of preferred shares from time to time issued and not redeemed within a period of one year from the date or dates of such issue or issues. The sinking fund shall be applied for redemption at \$100.00 per share together with all unpaid cumulative dividends; and/or for the purchase for cancellation of preferred shares in the open market at the lowest price obtainable, but in no event to exceed the price then payable upon redemption plus customary brokerage.
- (e) In the event shares are to be redeemed, the shares so redeemed shall be selected pro rata or by lot, as the Directors may determine.

8.

#### DIVIDEND RECORD

During the past ten years the Company has paid dividends as follows:

Year	Payment Date	Rate	Amount
1944	April 20	\$95.00 per share	\$28,500.00
1945	May 25	\$95.00 per share	\$28,500.00
1946	May 30	\$95.00 per share	\$28,500.00
1947	June 6	\$95.00 per share	\$28,500.00
1948	June 15	\$95.00 per share	\$28,500.00
1949	June 2	\$100.00 per share	\$30,000.00
1950	May 29	\$95.00 per share	\$28,500.00
1951	June 30	\$95.00 per share	\$28,500.00
1952	June 6	\$95.00 per share	\$28,500.00
1953	May 11	\$95.00 per share	\$28,500.00
1953	December 19	The Company issued stock dividend —21,675 preferred shares of par value \$100.00: \$2,167,500.00.	
1954	No Dividend yet declared.		

9.

#### RECORD OF PROPERTIES

The Company is the owner or lessee of properties throughout the Dominion of Canada as follows:

*Properties owned in the cities of* Halifax, Nova Scotia; Montreal, Quebec; Ottawa, Ontario; Toronto, Ontario; Hamilton, Ontario; Winnipeg, Manitoba; Regina, Saskatchewan; Calgary, Alberta.

*Stores Leased in the cities of* Moncton, New Brunswick; London, Ontario; Windsor, Ontario; Peterborough, Ontario; Vancouver, British Columbia.

*Territorial or Mail Order Branch Offices, leased in cities of* Halifax, Nova Scotia; Montreal, Quebec; Quebec, Quebec; Ottawa, Ontario; Winnipeg, Manitoba; Regina, Saskatchewan; Prince Albert, Saskatchewan; Saskatoon, Saskatchewan; Moose Jaw, Saskatchewan; Calgary, Alberta; Edmonton, Alberta; Vancouver, British Columbia; Nanaimo, British Columbia; Trail, British Columbia; Victoria, British Columbia.

10.

#### SUBSIDIARY COMPANIES

Peoples Credit Realty Limited, incorporated under the laws of the Province of Ontario by letters patent dated December 5, 1938, is a wholly-owned subsidiary of the Company.

Peoples Credit Realty Limited is the registered owner of real property situate in the City of Toronto and known as municipal numbers 181-183 Yonge Street, Toronto.

The present authorized capital of Peoples Credit Realty Limited is:

- (1) 2,000 common shares, par value \$1.00 each;
- (2) 1,480 preference shares, par value \$100.00 each.

There is presently issued and outstanding:

- (1) 2,000 common shares, par value \$1.00 each;
- (2) 714 preference shares, par value \$100.00 each.

The Company is the owner of all issued and outstanding common and preference shares of Peoples Credit Realty Limited.

11.

#### FUNDED DEBT

The aggregate amount of the funded debt presently outstanding of the Company and of its subsidiary, Peoples Credit Realty Limited, is \$1,500,000.00 principal amount 5½% First Mortgage Participating Sinking Fund Bonds, Series A. The bonds are issued under a deed of trust and mortgage between the Company and National Trust Company Limited as Trustee, dated as of May 1, 1954, Peoples Credit Realty Limited joining therein and guaranteeing the covenants of the Company. The Series A bonds (subject to the rights of redemption as provided in the trust deed) mature on May 1, 1969. Interest at the rate of 5½% is payable half-yearly on May 1, and November 1, in each year. Participating interest (if any, and as provided in the trust deed) is payable on May 1, in each year. There are no arrears of interest.

12.

#### OPTIONS AND UNDERWRITINGS

There are no outstanding options, underwritings, sale agreements or other contracts or agreements of like nature with respect to any unissued shares or any issued shares held for the benefit of the Company.



13. OTHER LISTINGS  
None of the securities of the Company are listed on any other stock exchange.

14. SECURITIES COMMISSION REGISTRATION  
No shares or securities of the Company are being offered to the public at this time, and no application has been made to the Ontario Securities Commission or any corresponding governmental body or authority for any registration or license.

15. FISCAL YEAR  
The fiscal year of the Company ends on January 31, in each year.

16. ANNUAL MEETING  
(a) Unless otherwise determined by the Board of Directors, the annual meeting is to be held on the fourth Wednesday in April in each year at the head office of the Company.  
(b) The last annual shareholders' meeting was held at the head office of the Company on May 18, 1954.

17. HEAD OFFICE  
The head office of the Company is situate at 181-183 Yonge Street, Toronto, Ontario.

18. TRANSFER AGENT  
The transfer agent of the Company is The Toronto General Trusts Corporation, 253 Bay Street, Toronto.

19. TRANSFER FEE  
No fee is charged on stock transfers other than the customary government stock transfer taxes.

20. REGISTRAR  
The registrar of the Company is The Toronto General Trusts Corporation, 253 Bay Street, Toronto.

21. AUDITORS  
The auditors of the Company are W. J. McCoy & Co., Chartered Accountants, 100 Adelaide Street West, Toronto.

22. OFFICERS  
The chief executive officers of the Company are as follows:

POSITION HELD	NAME	ADDRESS
President.....	Frank Gerstein.....	Park Plaza Hotel, Toronto, Ontario
Vice-President.....	Marvin Gerstein.....	7 Old Park Road, Toronto, Ontario
Secretary-Treasurer.....	Bertrand Gerstein.....	35 Glen Oak Drive, Toronto, Ontario

23. DIRECTORS  
The Directors of the Company are as follows:

NAME	OCCUPATION	ADDRESS
Frank Gerstein.....	Merchant.....	Park Plaza Hotel, Toronto, Ontario
Marvin Gerstein.....	Merchant.....	7 Old Park Road, Toronto, Ontario
Bertrand Gerstein.....	Secretary-Treasurer.....	35 Glen Oak Drive, Toronto, Ontario

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing of the above mentioned securities on the Toronto Stock Exchange; and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



PEOPLES CREDIT JEWELLERS LIMITED.

"FRANK GERSTEIN," *President.*

"BERTRAND GERSTEIN," *Secretary-Treasurer.*



# FINANCIAL STATEMENTS

## PEOPLES CREDIT JEWELLERS LIMITED AND ITS WHOLLY OWNED SUBSIDIARY CONSOLIDATED BALANCE SHEET AT APRIL 30, 1954

### ASSETS

Cash on hand and in banks.....		156,927.15	
Government of Canada—bonds.....		501,687.68	
Accounts Receivable—customers.....	3,451,697.69		
<i>Less: Bad Debt Reserve</i> .....	345,169.77		
		<u>3,106,527.92</u>	
Sundry accounts receivable.....		17,764.91	
Estimated inventories.....		1,985,642.00	
Prepaid expenses.....		30,297.08	
			<u>5,798,846.74</u>
Land and buildings.....	1,676,102.13		
<i>Less: Depreciation reserve</i> .....	157,954.47		
		<u>1,518,147.66</u>	
Furniture and fixtures.....	983,208.80		
<i>Less: Depreciation reserve</i> .....	685,314.01		
		<u>297,894.79</u>	
Automobiles—depreciated.....		9,412.53	
			<u>1,825,454.98</u>
Deferred charges in connection with purchase of properties, leases, etc.....			48,008.78
			<u>7,672,310.50</u>

NOTE.—The following transactions have been carried out, subsequent to April 30, 1954:

1. The Company sold for cash \$1,500,000.00 5½% First Mortgage Participating Sinking Fund Bonds due May 1, 1969.
2. 11,115 Preferred Shares were redeemed for cash—\$1,111,500.00.

### LIABILITIES

Due to Bankers.....	1,814,868.02	
Accounts payable and accrued charges.....	718,301.69	
Customers unclaimed deposits and credit balances.....	55,357.44	
Estimated taxes on income.....	332,730.27	
Accrued Provincial Sales Tax.....	9,038.79	
		<u>2,930,296.21</u>
Mortgages payable.....		156,154.56

### CAPITAL AND SURPLUS:

#### *Capital Stock:*

6% cumulative, redeemable Preferred Shares, par value \$100.00—

Authorized.....32,000 shares..... 3,200,000.00

Issued and redeemed..... 2,175 shares..... 217,500.00

2,982,500.00

Issued.....19,500 shares..... 1,950,000.00

Common Shares, no par value—

Authorized.....250,000 shares.

Issued..... 222,300.00

*Surplus*..... 2,413,559.73

4,585,859.73

7,672,310.50

### CERTIFICATE

To the Directors,  
Peoples Credit Jewellers Limited.

We have examined the Consolidated Balance Sheet of Peoples Credit Jewellers Limited, as at April 30, 1954.

In our opinion said Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs, according to the books and records and information furnished in connection therewith.

W. J. McCOY & CO.,  
Chartered Accountants.

June 14, 1954.



# PEOPLES CREDIT JEWELLERS LIMITED

## STATEMENT OF EARNINGS FOR THE FIVE YEARS ENDED JANUARY 31, 1950 to 1954, INCLUSIVE

Year	Earnings from Operations before Depreciation and Taxes on Income	Depreciation	Earnings after Depreciation	Taxes on Income	Net Earnings
1950	\$1,235,343.20	\$ 95,716.39	\$1,139,626.81	\$474,376.70	\$665,250.11
1951	1,000,868.30	120,014.28	880,854.02	382,821.28	498,032.74
1952	534,555.87	121,733.19	412,822.68	216,428.49	196,394.19
1953	1,314,908.64	102,135.77	1,212,772.87	725,690.78	487,082.09
1954	1,203,245.56	107,825.94	1,095,419.62	557,050.70	538,368.92

### AUDITORS' CERTIFICATE

The Directors,  
Peoples Credit Jewellers Limited,  
Toronto.

We have examined the Statement of Earnings of Peoples Credit Jewellers Limited, for the five fiscal years ended January 31, 1954. Our examination included a general review of the accounting procedures and such tests of the accounting records and relative supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statement properly presents the earnings of Peoples Credit Jewellers Limited, for the five fiscal years ended January 31, 1954, according to the best of our information and the records which we have examined.

W. J. McCOY & CO.,  
Chartered Accountants.

June 14, 1954.





